



## **AGRAFLORA ORGANICS INTERNATIONAL INC.**

### **NEWS RELEASE**

#### **AgraFlora Organics Applies for Industrial Hemp License to Pursue Proprietary CBD Cultivar Development**

**Vancouver, British Columbia / May 30<sup>th</sup>, 2019 – AgraFlora Organics International Inc.** (“AgraFlora” or the “Company”) (CSE: AGRA) (Frankfurt: PU31) (OTCPK: PUFXF), a growth oriented and diversified international cannabis company, is pleased to announce the Company has applied for licensing with Health Canada under the Industrial Hemp Regulations of the Cannabis Act. The Company anticipates that license approval could be granted in the third quarter of 2019, which will subsequently equip AgraFlora with the ability to seed, cultivate and harvest industrial hemp at its flagship 2.2 million square foot Delta, BC facility.

Upon successful grant of an Industrial Hemp License, AgraFlora intends to aggressively pursue proprietary Cannabidiol (“CBD”) cultivar development, as well as:

- Seedling development;
- Cultivar experimentation; and
- Specialized fibre production

“We are thrilled to gain additional exposure to the burgeoning hemp and CBD marketplaces,” said Brandon Boddy, Chairman and CEO of AgraFlora Organics International Ltd. “The cultivation of hemp is a natural accompaniment to our overall cannabis strategy, which will bring material synergies to our existing cultivation operations. By way of our existing cultivation infrastructure at the Delta Greenhouse Complex, we will continue to leverage the vast skillset of the Houwelings Group. Furthermore, AgraFlora’s Industrial Hemp License will allow for ample access to low-cost, high-volume raw material for the extraction of CBD, which has been increasingly recognized for its therapeutic benefits across a wide range of medical indications and wellness applications.”

In conjunction with AgraFlora’s growing portfolio of hemp-focused brands and commitment to innovation product development and industry research, the award of an Industrial Hemp License will further bolster the Company’s first mover advantage to champion a corporate response to global demand for both hemp and CBD products.

AgraFlora anticipates that once fully optimized, its planned industrial hemp operations will provide ample feedstock for its proposed acquisition of Organic Flower’s unique portfolio of product formulation and downstream THC/CBD assets.

As previously announced on May 23, 2019, Organic Flower Investments Group Inc. (CSE: SOW)(FWB: 2K6)(OTC: QILFF) and AgraFlora have entered into a binding letter of intent, whereby Organic Flower shall sell and AgraFlora shall purchase 100 per cent of Organic Flower's assets, which include: the company's 20-per-cent interest in the Delta greenhouse complex, an array of domestic downstream/product formulation operations and the rights to a trans-European distribution network.

It is anticipated that the sale price for the assets will be composed of 1.15 shares of AgraFlora for each one issued and outstanding share of Organic Flower at the time of closing, with the consideration shares to be distributed to the shareholders of the company. Closing of the proposed transaction remains subject to applicable corporate, securities and exchange approvals and/or filings, as the case may be.

The 2,200,000 square foot Delta Greenhouse Complex is slated to be one of the largest and most advanced cannabis cultivation operations worldwide and will act as a springboard for the continued integration of upstream, mid-stream, construction and downstream capabilities.

The Company also announces it has granted incentive stock options to purchase a total of three million common shares at an exercise price of \$0.39 per share for a period of five years to certain directors, officers and consultants, in accordance with the provisions of its stock option plan.

### **About AgraFlora Organics International Inc.**

AgraFlora Organics International Inc. is a growth oriented and diversified company focused on the international cannabis industry. It owns an indoor cultivation operation in London, ON and is a joint venture partner in Propagation Service Canada and its large-scale 2,200,000 sq. ft. greenhouse complex in Delta, BC. The Company has a successful record of creating shareholder value and is actively pursuing other opportunities within the cannabis industry. For more information please visit: [www.agraflora.com](http://www.agraflora.com).

### ON BEHALF OF THE BOARD OF DIRECTORS

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### ***Forward-looking Information Cautionary Statement***

*Except for statements of historic fact, this news release contains certain "forward-looking information" within the meaning of applicable securities law. Forward-looking information is frequently characterized by words such as "plan", "expect", "project", "intend", "believe", "anticipate", "estimate" and other similar words, or statements that certain events or conditions "may" or "will" occur. Forward-looking statements are based on the opinions and estimates at the date the statements are made, and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those anticipated in the forward-looking statements including, but not limited to delays or uncertainties with regulatory approvals, including that of the CSE. There are uncertainties inherent in*

*forward-looking information, including factors beyond the Company's control. There are no assurances that the business plans for AgraFlora Organics described in this news release will come into effect on the terms or time frame described herein. The Company undertakes no obligation to update forward-looking information if circumstances or management's estimates or opinions should change except as required by law. The reader is cautioned not to place undue reliance on forward-looking statements. Additional information identifying risks and uncertainties that could affect financial results is contained in the Company's filings with Canadian securities regulators, which are available at [www.sedar.com](http://www.sedar.com).*